



General Assembly

January Session, 2005

**Amendment**

LCO No. 6577

\*HB0651706577HDO\*

Offered by:  
REP. MAZUREK, 80<sup>th</sup> Dist.

To: Subst. House Bill No. 6517      File No. 199      Cal. No. 191

**"AN ACT CONCERNING GASOLINE FRANCHISES."**

1      Strike everything after the enacting clause and substitute the  
2      following in lieu thereof:

3      "Section 1. Subsection (c) of section 42-133l of the general statutes is  
4      repealed and the following is substituted in lieu thereof (*Effective*  
5      *October 1, 2005*):

6      (c) Notwithstanding the provisions of section 52-550, no franchise  
7      entered into or renewed on or after October 1, 1973, whether oral or  
8      written, shall be for a term of less than [three] seven years and for  
9      successive terms of not less than [three] seven years thereafter unless  
10     cancelled, terminated or not renewed pursuant to subsections (a) and  
11     (d) of this section.

12     Sec. 2. Section 42-133mm of the general statutes is repealed and the  
13     following is substituted in lieu thereof (*Effective October 1, 2005*):

14     (a) When a franchisor intends to sell, transfer or assign to another

15 person the franchisor's interest in a single marketing premises that is  
16 not part of two or more marketing premises marketed as a package to  
17 sell, transfer or assign more than a single marketing premises, that the  
18 franchisee has occupied under a lease, sublease or other grant of  
19 authority to occupy such premises, such franchisor shall first: (1) Make  
20 a bona fide offer to sell, transfer or assign to the franchisee such  
21 franchisor's interests in such single marketing premises; or (2) if  
22 applicable, offer the franchisee a right of first refusal of a bona fide  
23 offer made by another acceptable to the franchisor, to purchase such  
24 franchisor's interest in such single marketing premises. The franchisee  
25 shall have forty-five days in which to accept or reject such offer made  
26 under subdivision (1) or (2) of this subsection.

27 (b) When a franchisor sells, transfers or assigns the franchisor's  
28 interest in two or more marketing premises marketed as a package to a  
29 successor owner, any change in the terms and conditions of the  
30 franchise agreement in effect at the time of the sale, transfer or  
31 assignment shall be by mutual agreement of the franchisee and the  
32 successor owner. Such successor owner shall, at the expiration of the  
33 franchise agreement in effect at the time of the sale, transfer or  
34 assignment renew the franchise agreement of each franchisee for the  
35 same number of years as the agreement in effect at the time of the sale,  
36 transfer or assignment, provided such renewal shall not exceed [five]  
37 seven years. Any changes to the franchise agreement shall be  
38 submitted in good faith by the successor owner and negotiated in good  
39 faith by the successor owner and franchisee. The successor owner shall  
40 not require the franchisee to do the following: (1) Take part in  
41 promotional campaigns of the successor owner's products; (2) meet  
42 sales quotas; (3) sell any product at a price suggested by the successor  
43 owner or supplier; (4) keep the premises open and operating during  
44 hours which are documented by the franchisee to be unprofitable to  
45 the franchisee or during the hours after [10] 10:00 p.m. and prior to [6]  
46 6:00 a.m.; or (5) disclose to the successor owner or supplier financial  
47 records of the operation of the franchise which are not related or  
48 necessary to the franchisee's obligations under the franchise

49 agreement. Nothing in this subsection shall affect the successor  
50 owner's ability to terminate, cancel or fail to renew a franchise  
51 agreement for good cause shown.

52 (c) If such successor owner intends to sell, transfer or assign to  
53 another person such successor owner's interest in the marketing  
54 premises that the franchisee has occupied under a lease, sublease or  
55 other grant of authority to occupy such premises, the new owner shall  
56 first (1) make a bona fide offer to sell, transfer or assign to the  
57 franchisee such successor owner's interest in the marketing premises;  
58 or (2) if applicable, offer the franchisee a right of first refusal of a bona  
59 fide offer made by another acceptable to the successor, to purchase  
60 such successor owner's interest in such marketing premises. The  
61 franchisee shall have forty-five days in which to accept or reject such  
62 offer made under subdivision (1) or (2) of this subsection.

63 (d) For the purposes of this section, "marketing premises" means  
64 premises which, under a franchise agreement, are to be employed by a  
65 franchisee in connection with the sale, consignment or distribution of  
66 motor fuel.

67 (e) The provisions of this section shall apply to any franchise  
68 agreement in effect on or after July 1, 2000.

69 Sec. 3. Subsection (e) of section 42-133l of the general statutes is  
70 repealed and the following is substituted in lieu thereof (*Effective*  
71 *October 1, 2005*):

72 (e) No franchisor shall [terminate, cancel or fail to renew a franchise  
73 for the failure or refusal of the] require a franchisee to do any of the  
74 following: (1) [Refusal to take] Take part in promotional campaigns of  
75 the franchisor's products; (2) [failure to] meet sales quotas suggested  
76 by the franchisor; (3) [refusal to] sell any product at a price suggested  
77 by the franchisor or supplier; (4) [refusal to] keep the premises open  
78 and operating during those hours which are documented by the  
79 franchisee to be unprofitable to the franchisee or to preclude franchisee  
80 from establishing his own hours of operation beyond the hour of 10:00

81 p.m. and prior to 6:00 a.m.; (5) [refusal to] give the franchisor or  
82 supplier financial records of the operation of the franchise which are  
83 not related or necessary to the franchisee's obligations under the  
84 franchise agreement. [Subdivisions (1) to (5), inclusive, shall not be  
85 deemed material and reasonable obligations, substantial failure to  
86 comply with franchise terms, or good cause under subsection (a) of  
87 this section.]"

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|---|------------------------|------------|
| This act shall take effect as follows and shall amend the following sections: |                        |            |
| Section 1   | <i>October 1, 2005</i> | 42-133l(c) |
| Sec. 2  | <i>October 1, 2005</i> | 42-133mm   |
| Sec. 3  | <i>October 1, 2005</i> | 42-133l(e) |